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Approved For Release 2002/01/09 : CIA-RDP81-00261R000600040024-0

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Has Reviewed

23 November 1950

MEMORANDUM FOR: THE EXECUTIVE

SUBJECT: Super Grades under the Defense Production Act of 1950

REFERENCE: Presidential Notice of 18 November 1950

1. The so-called super grades, GS-16, 17 and 18, were created by the Classification Act of 1949 and an over-all government limitation of 400 was established in the same law. CIA obtained a general exemption from the Classification Act, but the effect of the numerical limitation on CIA was not clear. We requested clarification from the Comptroller General who rendered an opinion, dated 15 November 1949, concluding that "Accordingly, there would appear to be no legal objection to the establishment of positions in your Agency, \* \* \* with salaries and responsibilities comparable with those provided in General Schedule Grades 16, 17, and 18 without regard to the limitations contained in section 505 of the Classification Act of 1949."

2. The Defense Production Act of 1950, in section 710(a), authorized the President to make temporary appointments in the super grades in order to carry out the provisions of that Act. The intent of that Act, as stated in the Declaration of Policy, is for the President to use its powers to promote the national defense by meeting the requirements of military programs and by preventing undue strains and dislocations upon the wages, prices and production or distribution of materials for civilian use. In our opinion, the Defense Production Act of 1950 has no relation to the mission or function of the Central Intelligence Agency, and this Agency has no responsibilities under the wording of the Act.

3. The Presidential Notice of 18 November refers to requests for grades under the authority contained in Section 710(a) of the Defense Production Act of 1950, and states that "all agencies having responsibilities under the Defense Production Act \* \* \*" must have an equal opportunity to request the classification in grades 16, 17 and 18. In view of the foregoing, therefore, it is our opinion that this Notice has no bearing on the establishment of super grades in CIA, and no action is required on the part of CIA therewith. CIA may continue to classify in grades 16, 17 and 18 under the authority of Public Law 110 and in accordance with the opinion of the Comptroller General quoted above. It may not, of course, request temporary super grades under the authority of the Defense Production Act of 1950.

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LAWRENCE R. HOUSTON  
General Counsel  
Legal Staff

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THE WHITE HOUSE  
WASHINGTON

November 18, 1950

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES  
HAVING RESPONSIBILITIES UNDER THE DEFENSE PRODUCTION ACT OF 1950

I am advised by the Director, Bureau of the Budget, and the Chairman of the Civil Service Commission that requests for the allocation of positions to grades GS-16, 17 and 18 under authority of the Defense Production Act of 1950 have been out of proportion to the number of such grades heretofore authorized by the Congress for the entire Federal Service. In the interest of establishing a consistent and orderly procedure for the allocation of such grades, the following limitations are prescribed:

Effective immediately, the number of positions in the Executive Branch which may be classified in grades GS-16, 17 and 18 under the authority contained in section 710(a) of the Defense Production Act of 1950, shall be 150, of which not more than 20 shall be classified in grade GS-18.

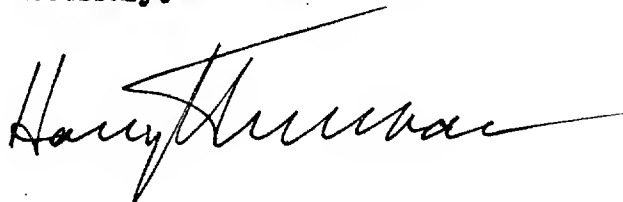
Because of this limitation, it is essential that all agencies having responsibilities under the Defense Production Act have an equal opportunity to request the classification in grades GS-16, 17 and 18 of those positions which they believe warrant such grades. Therefore the positions which have been approved in these grades to date, but have not yet been filled and for which specific commitments to individuals have not been made, shall not be filled until they are reviewed by the Chairman of the Civil Service Commission in the light of the limitation fixed, and recertified for classification to those grades by the Chairman.

The Chairman of the Civil Service Commission will immediately advise you concerning the necessary information which shall accompany each request for recertification of classifications and for initial classification in grades GS-16, 17 and 18.

In sending you this memorandum establishing a limitation on the number of positions which can be established in the top grades under the Defense Production Act authority, it is not my intention to restrict unnecessarily the classification of positions at that level. However, it is my opinion that the authority granted the Executive Branch by the Defense Production Act provides us with flexibility which must be exercised judiciously.

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I am requesting the Director of the Bureau of the Budget and the Chairman of the Civil Service Commission to report to me quarterly, beginning in January 1951, as to the effect of this limitation on the defense program and to recommend changes in this limitation whenever such action is necessary.

A handwritten signature in cursive script, appearing to read "Harry Truman". The signature is written in dark ink and is positioned to the right of the typed text.

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TOTALS

	<u>GS-18</u>	<u>GS-17</u>	<u>GS-16</u>	<u>Total</u>
Authorized	1	9	13	23
On Duty	1	9* (8)	9** (6)	19*** (15)
Vacant	-	-	4	4

Notes:

\* 1 filled by Army Colonel (Schaw)

\*\* 1 filled by Army Colonel (Edwards)

1 filled by Navy Captain (Lumpman)

1 filled by detail from State who is grade GS-15 (Reber)

\*\*\* Net civilian grades actually filled by civilians who draw the pay of the specified grades - 15

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[23 Nov 1950]

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